



Business Board		Agenda Item 3.1
15 January 2024		
Title:	Budget and Performance Report	
Report of:	Bruna Menegatti, Finance Manager	
Lead Member:	Chair of the Business Board, Al Kingsley	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	No vote required.	

Recommendations:

A	Note the financial position of the Business Division for the financial year 23/24 to November 2023
B	Review the consultation on the Combined Authority's Draft Corporate Strategy and Medium-Term Finance Plan and agree the Board's formal response to the consultation

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

x	Achieving ambitious skills and employment opportunities
x	Achieving good growth
	Increased connectivity
	Enabling resilient communities
x	Achieving best value and high performance

Delete as appropriate and include short explanation. Link to relevant sections in business plans.

1. Purpose

1.1	To provide an update of the financial position for 2023/24 and to provide analysis against the 2023/24 budgets, up to the period ending November 2023.
1.2	To give the Business Board the opportunity to discuss and agree a formal response to the Combined Authority's draft Corporate Strategy and Medium-Term Financial Plan.

2. Background

2.1	At the last meeting, the Board was provided with an analysis of the 2023/24 performance against budget to September 2023. This report provides an update covering up to November 2023.
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3. Revenue Income and Expenditure

- 3.1 A breakdown of the Economy and Growth Directorate Business Grant income for the period to 30 November 2023 is set out in Table 1 below.

Table 1

Business Grant Income	23/24 Actual YTD £k	23/24 Budget YTD £k	23/24 Variance YTD £k	23/24 Budget FY £k	23/24 FO FY £k	23/24 FO Variance FY £k	23/24 Change in FO Variance £k	23/24 Deferral £k
Enterprise Zone Receipts	-	-	-	- 913	- 965	-52	-	-
ERDF - Growth Co Grant	-23	-	-23	- 2,646	- 1,846	800	-	-
ESF - Growth Service Grant	- 118	-	-118	- 1,432	- 1,432	-	-	-
Growth Hub (BEIS)	-	-	-	- 246	- 246	-	-	-
LEP Core Funding	-	-	-	- 375	- 375	-	-	-
Rural Share Prosperity Fund	- 804	-	-804	- 804	- 804	-	-	-
SPF	- 2,396	-	-2,396	- 2,396	- 2,396	-	-	-
Total Business Grant Income	-3,342	-	-3,342	-8,812	-8,064	748	-	-

- 3.2 There are no major changes from the previous report issued in November 2023.

- 3.3 A breakdown of the Economy and Growth Directorate Business Revenue Expenditure for the period to 30 November 2023 is set out in Table 2 below.

Table 2

Business Revenue Expenditure	23/24 Actual YTD £k	23/24 Budget YTD £k	23/24 Variance YTD £k	23/24 Budget FY £k	23/24 FO FY £k	23/24 FO Variance FY £k	23/24 Change in FO Variance £k	23/24 Deferral £k
Business Growth Fund	-	68	68	156	156	-	-	-
CRF Start & Grow Project Economic Rapid Response Fund	175	-	-175	-	175	175	-	-
Growth Co Services	12	-	-12	-	12	12	-	-
Growth Hub Insight and Evaluation Programme	2,143	4,476	2,333	4,776	4,776	-	-	-
Local Growth Fund Costs	-	-	-	41	41	-	-	-
Marketing and Promotion of Services	149	50	-93	75	75	-	-	-
UK Shared Prosperity Fund	1	161	160	242	242	-	-	-
	-	25	24	38	38	-	-	-
	33	0	-33	1,696	1,696	-	-	-
Total Business Revenue Expenditure	2,507	4,780	2,273	7,024	7,211	187	0	-

- 3.4 Expenditure to date is £2.3m lower than budget to date.
Growth Co Services costs are £2.3m lower than budget. This is due to the delay in receiving the claims from GEG and the expectation that the budget will be met.

- 3.5 At present the expectation is that only 10% of the total budget for the year. This is due to the slow delivery of the programme. If the expectation will be realised, the remainder of the budget will be slipped into next financial year. This year percentage of completion will affect the amount DLUHC is providing up front next financial year. The remainder will not be lost but defrayed. More details on the performance of the UK SPF programme will be brought to the committee in March.

4. Capital Budget

- 4.1 A breakdown of the Economy and Growth Directorate Business Capital Expenditure for the period to 30 November 2023 is set out in Table 3 below.

Table 3

Business Revenue Expenditure	23/24 Actual YTD £k	23/24 Budget YTD £k	23/24 Variance YTD £k	23/24 Budget FY £k	23/24 FO FY £k	23/24 FO Variance FY £k	23/24 Change in FO Variance £k	23/24 Deferral £k
Business Rebound & Growth Service - Capital Grant and Equity Fund	-	-	-	1,750	1,750	-	-	-
College of West Anglia - Net Zero	-	482	482	1,124	1,124	-	-	-
ERDF	154	-	-	-	154	154	154	-
Expansion of Growth Co Inward Investment	400	400	-	400	400	-	-	-
Growth Works Additional Equity Fund (cap)	2,716	6,600	3,884	7,616	4,500	-3,117	-	-
Illumina Accelerator	-	800	800	800	800	-	-	-
Ramsey Food Hub	-	302	302	302	302	-	-	-
Rural England Fund	-	-	-	804	804	-	-	-
Start Codon (Equity)	-	590	590	885	885	-	-	-
UK SPF Core (cap)	-	-	-	700	700	-	-	-
Total Business Revenue Expenditure	3,270	9,174	6,058	14,397	11,435	-2,963	154	-

- 4.2 The expenditure to date of £1.2m is £6m below the budget to date.
The only major change from last report is the introduction of £0.2m unbudgeted ERDF expenditure. This was slipped to previous year and covered by the existing grant from DLUHC, paid on deferral.
- 4.3 The forecast change from previously report is of £0.2m. This is to account for the unbudgeted ERDF costs.

5. Combined Authority's draft Corporate Plan and Medium-Term Financial Plan

- 4.4 Following approval from the Combined Authority (CA) Board in November, the consultation on the CA's Corporate Plan and Medium-Term Financial Plan was launched on the 30 Nov.
- 4.5 The public consultation microsite can be found here: <https://cambridgeshirepeterborough-ca.gov.uk/yoursayyourfuture/>
This provides the opportunity for all our residents and businesses to read about the CA, it's plans, proposed investments, and then have their say on what they've seen including the proposal to increase the Mayoral precept in 2024/25 to £36 for a band D property.
However, Business Board is a statutory consultee on the CA's budget i.e. the CA is required by law to seek the views of the Business Board on the proposals in recognition of the key role the Board plays in the CA region and the governance of the Authority itself.
- 4.6 This report, along with the information on the consultation microsite and the main documents of the draft Corporate Plan and Medium-Term Financial Plan, gives the opportunity for the Business Board to agree a formal response to be fed into the consultation exercise, and be considered by the CA Board alongside the proposed budget at their meeting on the 31 January.
- 4.7 As the Business Board has been further integrated into the CA, in order to provide a business voice across all significant decisions, the Board can take a holistic view across the whole of the CA's corporate plan and budget to provide their views, comments or concerns as part of the consultation.

4.8	The Board's formal response, as agreed at this meeting, will form part of the public report which the CA Board will consider when agreeing the corporate plan and budget on the 31 January.
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6. Recycle funds

The Board is asked to note there are no changes to the position on Recycled Funds from the last report provided in November 2023 as per the table below:

Recycled Capital	23-24	24-25	25-26	26-27	27-28	28-29	Later Years
Opening balance	-13,306	-5,152	-3,024	-3,208	-3,392	-3,576	-3,760
<i>Forecast Expenditure</i>	10,399	2,650	0	0	0	0	0
<i>Forecast Income</i>	-2,245	-522	-184	-184	-184	-184	-2,024
Closing Balance	-5,152	-3,024	-3,208	-3,392	-3,576	-3,760	-5,784
Recycled Revenue	23-24	24-25	25-26	26-27	27-28	28-29	Later Years
Opening balance	-318	-212	-1	-1	-1	-64	-122
<i>Forecast Expenditure</i>	260	300	73	68	0	0	0
<i>Forecast Income</i>	-154	-89	-73	-68	-63	-58	-321
Closing Balance	-212	-1	-1	-1	-64	-122	-443
Combined	23-24	24-25	25-26	26-27	27-28	28-29	Later Years
Opening balance	-13,624	-5,364	-3,025	-3,209	-3,393	-3,640	-3,882
<i>Forecast Expenditure</i>	10,659	2,950	73	68	0	0	0
<i>Forecast Income</i>	-2,399	-611	-257	-252	-247	-242	-2,345
Closing Balance	-5,364	-3,025	-3,209	-3,393	-3,640	-3,882	-6,227

7. Enterprise Zone

The Board is asked to note there are no changes to the position on Enterprise Zone income and expenditure from the last report provided in November 2023 as per the table below:

Forecast EZ income and expenditure	2023/24 £k	2024/25 £k	2025/26 £k	2026/27 £k	2027/28 £k
Total Income	-£928	-£965	-£965	-£965	-£965
Total Expenditure	£863	£928	£1,155	£700	£176
Annual (surplus) deficit	-£65	-£37	£190	-£265	-£789
Cumulative Balance	-£197	-£234	-£44	-£309	-£1,098

N.B. Rates figures shown are for the previous fiscal year

8. Appendices

No appendices

9. Implications

Financial Implications

9.1	There are no financial implications other than those included in the main body of the report.
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Legal Implications

10.1	The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.
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Public Health Implications

11.1	N/A
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Environmental & Climate Change Implications

12.1	N/A
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Other Significant Implications

13.1	N/A
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Background Papers

14.1	Covering report for the draft corporate strategy and Medium-Term Financial Plan – Nov 23 CA Board
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14.2	Appendix A – Key assumptions, from Nov 23 CA Board report
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14.3	Appendix B – Capital Programme, from Nov 23 CA Board report
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14.4	Appendix C – Revenue Budget, from Nov 23 CA Board report
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14.5	Appendix D – Capital additions, from Nov 23 CA Board report
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14.6	Appendix E – Revenue Additions, from Nov 23 CA Board report
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